

Indians in Burma

Problems and Prospects

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Earlier this month the Burmese Government amended Burma's Money-lenders' Act, a legacy of the British days. The new law restricts money-lending to Burmese nationals and precludes all non-nationals, mainly Indians and Chinese, from money-lending.

The new law reflects the change in the place of the Indians and Chinese in Burma in the country's economy.

In this article the author, who is the Delhi Correspondent of the Far Eastern Economic Review and has visited Rangoon several times during the last two years, examines the Burmese image of India and the Indian community's long-term prospects in Burma.

WHEN on March 2, 1962, General Ne Win and his military revolutionary team snatched the reins of power in Burma, officials at the Indian Embassy on Merchant Street, in Rangoon, probably had more reasons for worry than other foreign missions. Some of the diplomats as well as leaders of the Indian community in Burma had a lurking fear that Bandit Nehru might in his casual way make some remark or other against military regimes in general and India would start her relations with the new regime on the wrong foot. (Pandit Nehru's publicly expressed regret at the royal overthrow of parliamentary democracy in Nepal in December 1960 perhaps still disturbs King Mahendra).

Fortunately, the Indian External Affairs Ministry agreed quickly with the thesis of the men posted in Rangoon that the military regime had come determined to stay for a long time and Delhi realistically accorded recognition to the military government. In fact, India was the first to announce acceptance of the Ne Win administration.

Some diplomats, particularly Western representatives, found it ironical that deposed U Nu's supposedly closest friend, Pandit Nehru, should have appeared to be in such haste to deal with those who had humiliated U Nu. They thought that Indian foreign policy was beginning to acquire some of the facets of international pragmatism and cynicism. This realistic Delhi recognition of the foats of life in Burma was naturally welcomed by Indian leaders in Rangoon and I have reason to believe that the Burmese Foreign office was also grateful for India's quick

decision. (There were some in Rangoon who felt at that time that cold war entanglements would have been suspected had Peking been the first to recognise the new rulers).

India and the Military Regime
Delhi started with goodwill towards the revolutionary military government and the goodwill has by and large been reciprocated by the Burmese Government which, for instance, was extremely helpful in repatriating the Indian Air Force men who had fallen into the hands of Naga hostiles.

A weak agrarian State, only just beginning to think clearly of going anywhere, loosely administered Burma shares her border with two dynamically progressing big neighbours, China and India, and the troubled areas of East Pakistan, Laos and Thailand. In her policy of neutralism, Burmese call their country 'neutral among the neutrals.' Burma was among the first to recognise the Peking Communist Government and by and large determinedly pursues the line of keeping herself aloof from the Western cold war. The King of Mandalay in the last century may have deluded himself that Mandalay was the centre of the world and there may still be some in Burma, including officials, who believe that 'if the world would leave Burma alone, there would be no need for industrialisation.' But the present military leadership is certain that the world will not leave Burma alone and that Burma has to catch up with history.

In the process the Ne Win Government also has to take measures to ensure that the Union does not break up, a threat which was the

most important factor in the military action in March. The Ne Win team calls itself the true inheritor of the Aung San tradition and has great faith in the concept of a modern State, devoid of the quasi-religious overtones which bedevilled the U Nu regime. Nationalism and a form of state capitalism form the large base for its internal policies. There is no playing with the idea of a Buddhist base. In this attitude General Ne Win has more in common with the ideas of President Nasser or Algeria's Ben Bella (who both reject an Islamic bias and favour Arab socialism) than for example with Pakistan whose motivations are Islamic.

There are some who theorise that Burma can be neutral only so long as China will let her be neutral. There is no expressed fear in Burma of any physical threat from the other big neighbour, India, and for the record Peking has so far been more than considerate in her relations with Rangoon. Actually, China has gone out of the way to woo Burma. If one examines Burma's foreign relations in the last few years, one will find that the country has often quivered with phases of hostile attitudes to one foreign Power or another. There was the anti-British phase in the very early days after independence which took Burma out of the Commonwealth; then there was the bitter anti-American phase following the Kuomintang troubles on the northern border; and lastly the anti-Japanese phase resulting from difficulties in securing increased reparations payments. On the issue of reparations, Burma felt she has a bad bargain in comparison with Japanese dealings with some othe



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countries occupied during the war. Japan has recently expressed her desire to resettle the reparations issue. The Burmese have been prudent in assuming their hostile phases against distant countries and have been careful not to be carried away so far by a belligerent stance towards Peking or India. Burma has not been shy of annoying India, as in the money-order question, but there has been no significant dispute between the two countries.

Burmese Neutrality

Despite the mess that the poorly trained administrators and the populace seeking religious merit and social status made of the country in which there was for years a lack of sense of national direction, many Burmese officials have taken pride in what they call their country's 'real neutrality.' Pakistan and Malaya, according to them, have been imperialist stooges and non-aligned India willing to make compromises in return for foreign aid. Rangoon thinks poorly of India for her failure to strike a settlement with China in the Himalayas; this was a view which U Nu also reputedly shared and this belief led to his miscalculated offer for mediation between China and India. After all, the Burmese made quick work of their border problem with China and came to an agreement in the enlightened self interest of both the countries. The Burmese point out, with rightful pride, that the agreement with China on the Burmese boundary is a major end firm international commitment Peking has been persuaded to make.

When the Burmese won freedom, India acted with restraint and goodwill as the Burmese land reforms affected large estates owned by Indians. U Nu has publicly acknowledged Burma's gratitude for India's arms assistance to beat off rebel forces at a crucial moment when they were threatening Rangoon.

In February 1949, India had initiated a Commonwealth move to assist the preservation of the lawful government of Burma. Also participating in the move were Britain, Pakistan, Ceylon and Australia. By the second week of May that year India, Britain and other countries announced their intention of helping Burma out of her plight, India was

liberal, despite her own problems, in assisting Burma with a loan of Rs 100 million in September 1955, India also gave Burma credit for making extensive purchases in India.

It is unfortunate that there is not much visible appreciation of India's assistance, though there is much enthusiasm with Chinese assistance which was announced only during the sixties. Hundreds of Chinese experts will be going to Burma during the coming years for the implementation of various industrial projects, but the Burmese Government has cancelled the invitation to a few dozen Indian doctors to work in Burma which suffers from a distressing shortage of medical personnel. There may, of course, be reasons for the Burmese Government's second thoughts on the question of invitations to Indian doctors. If Burma or some other non-aligned countries in the long run show a preference for Chinese technicians and experts, it could be due to Peking's attitude to such assistance. For instance, Chinese experts in Nepal work at local salary levels and there are no individual profit motives.

Distrust of Indian Trader

The reasons for the underlying popular distrust and dislike of the individual Indian in Burma are simple, historical and imperialist. As part of the territory governed by the British from Delhi, thousands of Indians moved into the province of Burma. Some of them no doubt were pioneers, who brought the land under the plough. The average Burmese of those days was certainly less industrious than the Indian and the Chinese. Both these communities prospered on land and in commerce. The numerous Indian Civil Service men also exercised their overlordship on the Burmese.

But it is useless today to harp on the Indian community's contribution to whatever little economic development Burma had before the war years. The image of the Indians in Burma is not that of cultured good Samaritans, but that of mercenary exploiters who came in a flood after the British take-over of Burma. This impression persists although thousands of Indians in Burma are in near menial jobs. The shrewd Marwari operators, the Chettiars and other money-lenders combined

to wield a tremendous economic force in the country where a powerful indigenous entrepreneur class still has to emerge. State capitalism is the Burmese Government's answer to the lag in individual national initiative. According to a Burmese Minister in office before the military takeover, the Indians have an estimated Rs 800 million available in their hands in Burma for investment. The Chinese community had around Rs 500 million. Over the years there has been a continuous attempt to kick the Indians and Chinese out of the avenues of commercial profit in the country. Licensing policies naturally favour the national, as in any other developing Asian and African country. But until quite recently the Indians and Chinese got around these restrictions through organised corruption of the administration and the Burmese business community and politicians. The Burmese often became the front men operating for Indian or Chinese businessmen for a commission. With greater orientation towards trading by the State and greater vigilance by the military administrators, the field of underhand activity by the Indians naturally has shrunk.

The Indian business community in Rangoon is certainly feeling the squeeze now. Though the Burmese Government has invited the Indians and the Chinese to put their money into industrial projects, it is not sold on the idea of quick development of industries by freewheeling non-national investors. The controls on industrial investment will be severe. In this the Burmese policies may not be very different from measures taken by Ceylon. Nor is the Burmese Government willing to go out of its way to attract foreign investments, (The Japanese, however, have in recent weeks made admirable progress in tie-ups with State enterprises.)

Indians Shy of Burmese Citizenship

A danger in the coming years to the Indians in Burma stems from the fact that a majority of them did not try to become Burmese citizens and throw in their lot completely with the country. The reservations of the Indians in Burma have been as numerous as those of Indian expatriates in more distant lands. Thousands of Indians shuttle bet-

ween Rangoon, Calcutta and Madras with loyalty only to their profits. The number of people in Burma holding Indian passports is around 550,000 and a large number of the Indians are money-lenders, part-time or full time, exploiting the Burmese through high interest rates, much higher than those prevalent in their home country, India. The danger is that if and when the Burmese Government feels convinced that, with the increasing control of business and industry by the State, there is no place in the economic structure for the Indian business community, a stroke of Ne Win's pen can start a quick process of weeding them out of Burma. And in their thousands the Bengali, the Marwari and the South Indian now in Burma will have to find a new home and a new-life in their own country.

If the Indians in Burma run into trouble there is not much hope of their receiving sympathy from official quarters in New Delhi. The Prime Minister has all along advised Indian expatriates that they should as far as possible settle down as citizens of the country of their adoption. In Africa or in Asia the Indian communities have been reluctant to act on this principle.

Impact of Indian Rice Purchases

In official relations between India and Burma the erratic Indian rice purchases in recent years are a bone of contention, although India in earlier years paid badly needed sterling for rice purchases from Burma. For Burma as for Thailand whoever buys her rice is her friend. Repeatedly at international conferences Burmese delegates have frowned on Indian attempts to achieve self-sufficiency in rice. There is a strong rice lobby in the ECAFE for example and there have been suggestions that India could assist Burma to produce and market more rice since Burma is more suited to profitable production of rice than India. In this context Burmese officials have died to me the example of China's rubber deal with Ceylon. (What Burma and Thailand sometimes fail to take notice of is that India has had a record of famines and starvation deaths. The war and the occupation of Burma by the Japanese stopped imports of rice which may have averted or allevia-

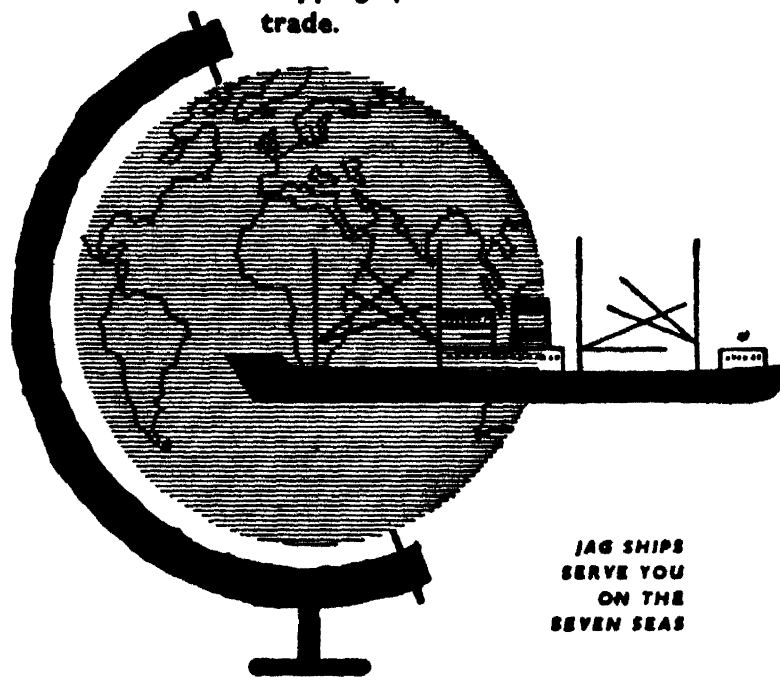
ted the disaster of the Bengal Famine. What happened two decades ago could happen again.)

Apart from the economic facts, after all, some Burmese have told me that India, "a big and rich country," can lean over backwards to assist the "weak and less prosperous neighbour". Also, apart from formal foreign and economic relations, a crucial factor for India in her relations with Burma in the coming

years is a confrontation with China which, despite its tremendous internal problems, is extending considerable developmental assistance. What an Indonesian Minister once told me applies to Burma also: "Cannot India, with a Third Five Year Plan amounting to more than Rs 100,000 million specifically allot even a meagre one per cent to help less developed countries in South Asia and Africa"?

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